

RENT ARREARS & COLLECTION POLICY & PROCEDURE

(11)

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1 INTRODUCTION

- 1.1 CHAS depend on the rent collected from their tenants as their main source of income. This income allows for the delivery of an effective and efficient housing management and maintenance service; therefore it is important that policies and procedures are in place to keep the level of rent arrears to a minimum.
- 1.2 Our key principles for this Rent Arrears Policy are to:
 - i. To collect all rent as it falls due, in order to meet financial obligations;
 - ii. Prevent rent arrears where possible by providing tenants with appropriate advice and assistance;
 - iii. Adopt a firm but fair approach where arrears do accrue and which is applicable to all tenants;
 - iv. Assist tenants in arrears to help prevent their debts from becoming unmanageable;
 - v. Use eviction as a last resort.

2 GUIDANCE ON RECOVERY OF RENT ARREARS

- 2.1 This Policy document sets out the action plans for when rent arrears occur (from the first missed payment) and a timetable for taking actions.
- 2.2 Rent accounts will be monitored regularly to identify arrears as soon as they arise. Where a joint tenancy is held, the tenants will be treated as joint and severally responsible for rent arrears.
- 2.3 With the system of financial welfare support not being regularised starting action on arrears is discretionary but after two missed welfare rent payment, or one personal contribution, early contact will be made with the tenant (via letter) to remind them of the amount outstanding. This letter will be in plain English and issued within one week following the rent due date, if applied to personal contribution.
- 2.4 If the tenant fails to bring the rent account up to date or fails to make contact, CHAS will make personal contact with the tenant within two weeks of the account going into arrears. At this point, the cause(s) of arrears should be identified with the tenant and methods discussed to repay the debt.

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- 2.5 CHAS will ensure that the tenants are aware of their social welfare entitlements and are referred to relevant agencies such as the Money Advice and Budgeting Service (MABS) and the Citizens Information Service.
- 2.6 CHAS and the tenant will agree a realistic repayment schedule to ensure that rent arrears can be paid back in a way that does not put undue financial pressure on the tenant. Failure to engage will lead to further action by the Association, including Notice to Quit.

3 NOTICE TO QUIT

- 3.1 CHAS will only issue a Notice to Quit (NTQ) as a last resort. If no rent has been paid for eight weeks, and it is clear that the level of rent arrears will continue to accrue with no likelihood of debt reduction, CHAS can take steps to repossess the property by issuing a Notice to Quit. Once a NTQ has been issued, rent will no longer be collected.

4 COLLECTION & PROCEDURES

- 4.1 **Introduction:** Effective rent collection is a key function of housing management and CHAS has determined the most effective method of rent collection for our tenants.
- 4.2 **Rent Payment Options:** We have provided as many rent payment options to tenants as possible whilst at the same time ensuring that the options are cost effective and convenient for both tenants and the association. CHAS does not accept cash payments.
- 4.3 The payment options are:
 - **Standing Order**
 - **Directly to the Association's bank account**
- 4.4 These payment options allow people who receive social welfare payments to pay a regular amount of rent by direct deduction from their income payments. Quarterly rent statements will be provided to tenants. Amounts due will be identified at the beginning of a tenancy and must clearly outline to tenants their monthly:
 - Rental (accommodation) charges
 - Service charge
 - Any additional care / support charges

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- 4.5 Payments from those who receive Rent Supplement from Dublin City Council or Dun Laoghaire Co. Council are logged monthly in management reports to the Administrator. These payments have to be checked and allocated against the relevant tenants on accounts file.
- 4.6 Short falls and overpayments are notified to the Council to be amended on their next payment.
- 4.7 The Council is notified when a new tenant takes up residency that is passed for Rent Supplement.
- 4.8 Statements are issued to tenants every 3 months. Issued from Accounts' software, they are checked and signed off by the Administrator before being sent to the tenants.

5 REVIEW

- 5.1 Rent collection methods will be reviewed yearly to ensure that each tenant has access to a convenient method of rent payment. CHAS will undertake a review of rent levels on an annual basis. Should any rent adjustments be made, the association should give the tenants notice, in accordance with the terms of the lease.
- 5.2 Where relevant, the Local Authority should also be informed for the purposes of RAS payments.